

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Venango Steel

#### Northwest Pennsylvania Industrial Resource Center

#### Venango Steel Repositioned for Growth

##### Client Profile:

Venango Steel, located in Franklin, Pennsylvania, is a professional fabricator of structural steel and miscellaneous metals. The company's structural steel products include steel buildings, mezzanines and ice shelters, while their miscellaneous metal products comprise industrial fixtures, jib cranes, platforms, stairs, handrails, lintels and ornamental work. Venango Steel also performs all types of commercial and industrial repairs, as well as industrial weldments. The company, founded in 1983, employs 13 people.

##### Situation:

Venango Steel, experiencing rapid growth, found itself facing serious cash-flow and working capital shortfalls. The company's bank line of credit was exhausted, the balance sheet was showing a negative tangible net worth, and the income statement was showing significant monthly losses. Estimating and pricing practices were impacting profitability. The company turned to the Northwest Pennsylvania Industrial Resource Center, Inc. (NWIRC), a NIST MEP affiliate, for assistance in addressing these issues.

##### Solution:

NWIRC determined that it could most effectively assist Venango Steel through the services of a third party consultant. Al Stakel of the Windfall Group of Olean, New York, was selected and consulted with the company over a period of several months to address their various problems. The consultant implemented pro-forma profit and loss and cash flow models, designed and implemented and integrated Quickbooks general ledger accounting system, implemented a job order estimating and quotation system, implemented perpetual financial inventory control and underlying valuation systems, designed and implemented updated pricing policies, and is assisting in restructuring the company's working capital line of credit.

##### Results:

- \* Improved profitability and liquidity.
- \* Anticipated sales growth in 2005.

##### Testimonial:

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